ANNEXURE 16

COMMUNITY DEVELOPMENT SERVICES DEPARTMENT

INDIGENT MANAGEMENT POLICY

2020 - 2021

TABLE OF CONTENTS

SECTION	CONTENT	PAGE
	DEFINITIONS	2-3
SECTION A: POLICY STATEMENTS OF INTENT		**4**
1.	PURPOSE OF THE POLICY	4
2.	THE POLICY OBJECTIVES	4
3.	LEGISLATIVE FRAMEWORK	4
4.	POLICY OUTCOMES	4
SECTION B: POLICY PRESCRIPTIONS		**4-8**
5.	QUALIFICATION CRITERIA	4-5
6.	EXTENT OF INDIGENT SUPPORT	5-6
7.	RESPONSIBILITIES OF REGISTERED INDIGENT HOUSEHOLDS	6
8.	SHORT TERM ASSISTANCE	7
9.	VALIDITY PERIOD	7
10.	DEATH OF REGISTERED APPLICANT	7
11.	UNDER USAGE OF ALLOCATION	7
12.	EXCESS USAGE OF ALLOCATION	7
13.	TERMINATION OF INDIGENT SUPPORT	8
14.	EXIT PROGRAMME	8
15.	NON COMPLIANCE	8
16.	REPORTING AND QUALITY MANAGEMENT	8
17.	ACCESS TO INFORMATION ON THE REGISTER	8
18.	BUDGETING FOR INDIGENT SUPPORT	9
19.	AUDITING	9
SECTION C: PROCEDURE GUIDELINES TO GIVE EFFECT TO THIS POLICY		
	PROCEDURE GUIDELINES TO GIVE EFFECT TO THIS POLICY	9-12

INDIGENT MANAGEMENT POLICY

For the purposes of this policy, the following definitions shall apply:

Municipality:	**Mogale City Local Municipality**
Approved Registration Point:	Will be the Civic Centre, c/o Commissioner & Market Streets, Krugersdorp and any other municipal customer care point which the Mogale City Local Municipality may deem to be necessary.
Basic Municipal Services:	Means municipal services that are necessary to ensure an acceptable and reasonable quality of life and if not provided would endanger public health or safety of the environment.
Department:	Means the Department Community Development Services, of Mogale City Local Municipality.
Free Basic Services:	The quantity of services that shall be supplied free of charge to an indigent household as specified in this policy.
Household:	Household is a registered owner, occupier, vulnerable person or tenant. Should a group of people live together, even if not related, they will be regarded as one household linked to one Municipal account.
Indigent:	Any household which is responsible for the payment of services and rates, earning a combined **gross income** equivalent to or less than two times government pension grants as prescribed by the Department of Social Development or in line with the National Indigence Framework issued by the Department of Corporative Governance and Traditional Affairs Government (COGTA), who qualify, according to the Policy, for rebates/remissions or a services subsidy. (Poor is a synonym of indigent hence a definition of poor is not repeated in this Policy) .Examples hereof include pensioners, the unemployed and child-headed families who are unable to fully meet their obligations for municipal services consumed and property taxes on their monthly accounts. Any other Government grant received by such households will not be considered as additional income
Pensioner:	Means a person who is 60 years of age or older.
Child Headed Family:	Means a household where the main caregiver of the household is 21 years of age or younger.
Indigent Management System:	An electronic or any other management system used by the Municipality for the management of the Indigent Register.

Poverty:	A state or condition in which a person or community lacks the financial resources and essentials to enjoy a minimum standard of life and well-being that is considered acceptable in society.
Programme Officer:	An official duly authorized by the Municipality, or an employee of a service provider appointed by the Municipality, who is responsible for assessment, screening and site visits, and for recommending applicants for approval/disapproval of indigent support.
Tenant:	Registered occupant of a property owned by the Municipality, or an individual/family sharing the same property with the legal owner, who has the responsibility to pay for the Municipal Services consumed.
Occupier:	A person who lives on land which does not belong to him/her and who has permission from the owner to be there. This is not limited to the account holder.
Vulnerable Person:	Means a consumer occupying land with the written consent of the owner, but to which the consumer does not have title, lease or security of tenure. This is not limited to the account holder.
Stakeholders:	A committee that comprises of relevant councilors, relevant ward committee members, staff and/or service provider, whose function is to assist with collection of data, capturing of such data, assessment and making recommendations.
IPIMEC:	Refers to the Indigent Policy Implementation Management and Evaluation Committee.
Verification Officer:	An official duly authorized by the Municipality, or an employee of a Service Provider appointed by the Municipality, to assist with the verification and oversight over the Indigent management process.
Short Term Assistance:	Given to a person who is temporarily unemployed or hospitalized without income or receives income that defines him/her as indigent for a period to be reviewed every six months.
Landlord:	A person, body Corporate, company or organization that owns a building or land where people pay for use thereof plus pay for Municipal services.
Exceptions:	Accounts that cannot be subsidized on the Financial Management System of the Municipality. Such accounts are identified as closed accounts or property sale accounts.

SECTION A: POLICY STATEMENTS OF INTENT

1. PURPOSE OF THIS POLICY

The purpose of the Policy is to provide a framework and structures to support poverty alleviation within the Municipality by providing a support programme for the subsidization of basic services to indigent households.

2. THE POLICY OBJECTIVES

The objective of this Policy will be to ensure the following:

- The provision of basic services to the approved indigent/vulnerable members of community in a sustainable manner within the financial and administrative capacity of the Municipality.
- Establish the framework for the identification, screening and management of indigent households including an economic rehabilitation plan where possible.
- The provision of procedures and guidelines for the subsidization of basic services.

3. LEGISLATIVE FRAMEWORK

The Policy is based on the following legislation:

- South African Constitution Act, Act no. 108 of 1996 (Section 27).
- Municipal Systems Act, Act 32 of 2000 as amended.
- Municipal Property Rates Act, Act 26 of 2004 as amended.
- Extension of Security of Tenure Act. Act 62 of 1997.
- Children's Act (Act 38 of 2005)
- National Framework for Municipal Indigent Policies.
- Guidelines for the implementation of the National Indigent Policies by Municipalities.
- Credit Control and Debt Collection Policy.
- Policy on Subsidized Burial of Indigent People.
- Any other relevant Policy or by law as may be passed/amended by Council from time to time.

4. POLICY OUTCOMES

The following are anticipated policy outcomes on Indigent Management Policy:

- Consistent practice in the implementation of the Indigent Management Policy.
- Acceptable level of compliance with the Policy provision.
- Quarterly updated Indigent Register.
- Quarterly reporting on the implementation of the Indigent Management Programme.

SECTION B: POLICY PRESCRIPTIONS

5. QUALIFICATION CRITERIA

Persons who are claiming indigent status (i.e. an inability to pay assessment rates and service accounts in full) must qualify in terms of the following criteria:

- The applicant and beneficiaries must be South African citizens residing in Mogale City.

- The applicant must reside on the property for which indigent status is applied for.
- The applicant must have a valid bar coded South African Identification Document or any other acceptable proof of South African citizenship.
- The applicant must be a Mogale City resident.
- The applicant must be the owner, tenant, occupier/vulnerable person who receive Municipal services.
- An Indigent may only derive benefit from one property. A household jointly owning more than one property and applying for indigent support must declare all additional properties to the Municipality.
- The combined gross income of an applicant must be equivalent to or less than the highest of twice the government pension grants as prescribed by the Department of Social Development.
- Eligible applicants will include pensioners (provided their combined monthly household income is within the threshold), the unemployed and child headed families who are unable to fully meet their obligations for payment of municipal services consumed and property rates on their monthly accounts. Employed people whose monthly income is below the above mentioned threshold are also eligible to apply. Any other government grants received by such households will not be considered as additional income.

The Indigent Management Committee will assess each case on merit and advise the Municipality accordingly. **The Municipality reserves the right to register or not to register a household as indigent.**

6. EXTENT OF INDIGENT SUPPORT

The extent of the Indigent support granted by Council to indigent households in the Municipal area will be determined based on budgetary allocation for a particular financial year and the tariff charges for that specific financial year. The following levels of free services is derived from the National Guidelines in determining the equitable share allocations and will be accommodated annually in the operating budget , only in so far as the Municipality is the provider of such services.

6.1 Free basic services

- 100% subsidized rates – as per Municipal Property Rates Act.
- 6 kilo liters free basic water.
- 50 kW/h free basic electricity.
- 100% subsidized refuse removal.
- 100% subsidized sanitation services, provided this is part of the Municipality's waterborne system.

6.2 Arrears write-off

- The accumulated arrear debt of indigent households will be written off as on date of subsidization on the Municipal Financial System. The debt will be written off irrespective of the number of times it was written off.
- All levies in excess of the subsidy discounts are payable every month and any accrued debt after this debt write-off will be subject to credit control and debt collection procedures.

6.3 Installation of Pre-Paid meters

- The accounts of approved applicants should be flagged and installation of pre-paid electricity and water meters should be prioritized.
- The National Guidelines are indicative of the fact that it is incumbent upon the Municipality to come up with measures to manage consumption, therefore the installation of the meters is to serve such purpose.

6.4 Special provision for rural areas and informal settlements

Though the above Criteria for Qualification require that an applicant must have a Municipal account, this Policy makes special and necessary provision for indigent households in rural communities and informal settlements. These households will benefit from the Indigent Management Programme only through access to free basic water delivered in water tankers, bulk refuse removal, communal toilets and communal taps. Introduction and sustenance of water tankers will be subject to permission granted by the land owner. Costs for the water and related tankers will be covered from the Equitable Share.

6.5 Provision for elderly who reside in council owned properties, Retirement Villages and Old Age Homes.

- Elderly people who rent municipal property will be subsidized on municipal services if they qualify in terms of the indigent management qualification criteria.
- Indigent consumers living in Old Age Homes and Retirement Villages are eligible to apply for indigent support in terms of this policy.
- It is upon the individual unit owner to apply to the Municipality for indigent support. The applicant must be responsible for payment of Municipal services.
- The representative of Board of Trustees or Managing Agent of such Old Age Homes/ Retirement Villages must, in respect of monthly benefits allowed under indigent support ensure that such benefits are off-set against the monthly levies of the relevant individual units. Such representatives also being required once every three months or at such intervals as may be determined by the Municipality to provide proof to the Chief Financial Officer that the monthly levies of indigent households which qualify for assistance have been adjusted.

7. RESPONSIBILITIES OF REGISTERED INDIGENT HOUSEHOLDS

In order to ensure the success of indigent assistance, the following should be observed by registered indigents:

- The registered indigent household must be willing to accept the installation of pre-paid electricity and water meters by the municipality. Refusal to accept installation of these meters will result in the debt being re-instated and the indigency status being revoked.

- The registered indigent household must be willing to accept technical assistance offered by the municipality to make his/her current monthly consumption of services affordable through limiting services.

- The registered indigent household is responsible for the payment of services should the monthly consumption exceed the allocated level of service provided by the Indigent Management Policy.

- Should the economic status of the registered indigent household change, the onus is on the household to inform the indigent management office immediately.

8. SHORT TERM ASSISTANCE

An Indigent household in temporary distress may be assisted for a period not exceeding six months under the following circumstances:

- Temporary unemployment.
- Hospitalization.
- Chronic illness.
- Incarceration.
- Missing persons.

It is required that in any of the instances above, the respective ward councilors will have to support such request in writing to the Indigent Management Office. Indigent households falling in this category will be re-assessed every six months.

8.1 A legal declaratory document will be required from specific institution mentioned above such as medical declaration, letter from Department of Labour, letter from police or Correctional Services as proof of temporary distress.

9. VALIDITY PERIOD

Validity period of assistance will be for a maximum period of **24** month. Households will be re-evaluated on the following intervals:

- Quarterly to check deceased status and economically active accounts.

10. DEATH OF REGISTERED APPLICANT

In the event that the approved applicant passes away, the heir/s of the property must re-apply for Indigent support, and will be assessed in terms of the Policy requirements to determine their qualification for indigent support.

11. UNDER-USAGE OF ALLOCATION

If the level of consumption of the Indigent household is less than the consumption level approved by the Municipality, the household cannot claim or accrue the unused portion of the benefit, be it in cash or rebates.

12. EXCESS USAGE OF ALLOCATION

If the level of consumption of the Indigent household exceeds the consumption level approved by the Municipality, the household will be obliged to pay for the excess consumption on a monthly basis. Accounts not settled on a monthly basis will be subject to Credit Control measures that might affect the free issue.

13 TERMINATION OF INDIGENT SUPPORT

Indigent support will be terminated under the following circumstances:

- Refusal by indigent households to accept installation of pre-paid type meters after registration will lead to re- instatement of the debt and revoking of indigent status.
- Death of an account holder, except if the account is transferred to an heir who qualifies in terms of the Criteria outlined in this Policy.
- At the end of the 24 month cycle, subject to re-assessment.
- Applicants who fail to submit required documents within a month of application or review will be removed from the system and subjected to reapplication.
- Upon sale of the property. Registered indigent households who within 24 months from date of approval of debt relief sell or dispose of the property in respect of which registration has been done, will be held liable for the debt written off previously and interest thereof.
- When circumstances in the Indigent household have improved and their gross income exceeds the combined income of two government pension grants as prescribed by the National Department of Social Development.

The Municipality reserves the right to reassess circumstances of any household registered as indigent including to review and revise the entire Policy, criteria and benefits.

14. EXIT PROGRAMME

Members of households registered as indigent should be prepared to participate in exit programmes coordinated by the Municipality in collaboration with other Government Departments and the Private Sector. The expectation of this clause excludes pensioners and child headed households.

15. NON-COMPLIANCE

If the applicant is found to have disclosed false information about his/her personal circumstances, the following will apply:

- All arrears which may have been written off, will become payable immediately.
- Credit Control collection measures will be applicable ; and
- The applicant will not be eligible to apply for this assistance for a period of 5 years.

16. REPORTING AND QUALITY MANAGEMENT

Quarterly reports shall be submitted by the Department: Community Development Services with financial cost implications to relevant Portfolio Committees and to the Mayoral Committee on progress made regarding administration of the Indigent Management Programme.

Reports should reflect costs, quality, effectiveness of the system processes, time frames for registration of applications and review of approvals.

17. ACCESS TO INFORMATION ON THE REGISTER

A register of indigent beneficiaries must be maintained, however, the human dignity of applicants must also be protected. Written objections from the public must be referred to the Department Community Development Services who will be responsible for forwarding the complaints to IPMEC for consideration.

18. BUDGETING FOR INDIGENT SUPPORT

The Municipality shall include in its annual budget the amount required for Indigent subsidies in line with the respective Policy and By-laws. Such amount shall be increased annually, based on the Equitable Share plus the amended rates and tariffs for the particular financial year, and credited directly against the monthly services accounts of approved indigents.

19. AUDITING

Auditing will be conducted as per the audit plan of the Internal Audit Section.

SECTION C: PROCEDURE GUIDELINES TO GIVE EFFECT TO THIS POLICY

1. Communication

The Marketing and Communication Section will, within the framework of the Communication Strategy for the Indigent Management Programme, champion communication to inform the residents of Mogale City about the Programme.

2. Application/Registration

An applicant must complete an official/indigent management application form supported by the following original/certified documents:

- South African valid bar coded Identity Document
- Current Municipal account not older than 3 months.
- **If unemployed** an affidavit by the head of the household mentioning each beneficiary in the household older than 21 years by name and identity number and declaring status of income for each beneficiary.
- Copy of a Bank statement where an applicant is **employed** or **self-employed**.
- A letter of authority/Executor where applicable.
- Proof of receipt of Pension for pensioners.

The signing of the Indigent application form will entitle the applicant to an allocation of free basic services as defined in this Policy as soon as the application has been approved.

As part of the application, the applicant must be willing to give consent for external scans and credit bureau checks and consent to the installation of prepaid water and electricity meters.

3. Assessment & Screening of Applicants

After the application/registration process, all information must be verified by the Programme Officer or a person approved by the Municipality as follows:

(a) Indigent Management System Check

The information on the Municipality's Indigent Management System must be checked to determine whether an applicant and beneficiaries are already registered within the system as well as to determine dates when these existing applicants should be reviewed.

(b) Data Capturing

The Indigent registration data must be captured in an Indigent Management System as per the application form or as identified on the Municipality's Financial System. The applicant will then be issued with an acknowledgement letter as an indication that the application is in progress.

(c) Verification – Site Visit

The Indigent Management System must assign an application to a duly appointed Verification Officer to perform an on-site verification.

The Verification Officer must then verify the registration application, complete a questionnaire which contains the inventory. The applicant must then sign the completed questionnaire. The Verification Officer then assesses the application and makes a recommendation based on the assessment.

(d) Verification - Ward councilor

Once a site verification visit has been concluded, the application is sent to the ward councilor for final verification. The ward councilor must comment and sign the application form and the site inspection form.

4. Recommendation

Once the verification has been completed, the Indigent Management System must generate a recommendation based on the information captured in the data base. Those applications that qualify for Indigent support in accordance with the system are then to be referred to the IPIMEC for final approval.

The recommended application must then be captured in the Indigent Management System. The date which the record was submitted to the Indigent Committee should be noted in the system in order to track the status of the application within the process.

In the event that the application is declined, it must be captured as such in the Indigent Management System, and a letter should be sent to the applicant informing them of the disapproval. This will also be done via sms notification to the applicant if a valid cellphone number is available of the applicant. The validity of the cellphone number will be verified against the billing system and the application form in which the applicant disclosed his/her cellphone number.

In the event of a successful application, the Indigent Management System should be updated to show this. The Indigent Management System together with the Financial Management system should be flagged to indicate that the application has been approved and a letter should be sent to the applicant informing them of approval of their application. This will also be done via sms notification to the applicant if a valid cellphone number is available of the applicant.

The Indigent Management system software must be able to generate a list of all successful indigent applications received on request. This report must be produced at least every three months for management information purposes.

5. Commencement of status as an indigent consumer

Indigent recommendations reports are tabled at IPIMEC on a monthly basis for the evaluation and approval of such recommendations. The approved recommendations report is delivered to Finance Department to flag and load the Indigent subsidies on the individual accounts. It is from here that Indigent Cycle commences and is accepted that this is the first status as Indigent for the consumer that will reflect on all communication from this point on.

Finance Department will return the subsidized accounts to be captured into the Indigent Management System for relevant outcome documentation to be prepared and delivered to all applicants. It is also noted that **"Exceptions"** defined as accounts that could not be subsidized or account holders that refused the installation of prepaid meters will be tabled again at IPIMEC at following meeting, as these accounts must have their status formally changed as part of the audit principles.

6. Indigent Policy Implementation, Management and Evaluation Committee (IPIMEC)

IPIMEC must be established to receive data, approve/disapprove and ensure the implementation, management and evaluation of the Indigent Management Process. The committee shall comprise of Members of the Mayoral Committee for Health and Social Development, Finance, Utilities Management Services, Human Settlements and Strategic Management Services as well as relevant officials. The committee shall be chaired by the MMC for Health and Social Development.

The IPIMEC shall meet at least **once a month** to deal with applications tabled before them.

The system should generate, on a bi-annual basis, a list of site visits to be performed of the registered indigents, and assign these to a Verification Officer. The Indigent Management System must evaluate each visit and any changes must be noted when re-submitted to IPIMEC.

7. Management Responsibilities

A Project Progress Committee must be established to plan, monitor and evaluate the implementation of the Programme. It will identify any gaps and challenges and make recommendations to IPIMEC. The Project Progress Committee must comprise of relevant officials **of the Municipality and shall** hold project progress meetings at least **once a month**.
Management shall do the following:

Monitoring

- Ongoing monitoring of the execution of the Policy so as to determine its effectiveness and efficiency.
- Inputs from various affected stakeholders inclusive of Councilors, Ward Committee Members and affected admin officials will assist in the monitoring process of the Policy implementation.

Quality Management

- Management of quality of the current basic services as defined in the Policy.
- Systems and processes of reporting, monitoring and reviewing the Policy to be put in place.

Reporting

- All information captured during monitoring and quality assessment period of this Policy.

Evaluation

- Evaluate that all processes outlined in the policy were followed and completed to ensure a clean audit trail for all applications, processes and reporting.

Review

- In line with the information that would have been collected during the monitoring, quality assessment, evaluating and reporting.

8. Re – evaluation

All approved indigent households will be re-evaluated prior to the 24 month expiry period. The recommendations report on the re-evaluation will then be submitted to IPIMEC for approval.